

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6332

BILL NUMBER: SB 98

NOTE PREPARED: Jan 19, 2012

BILL AMENDED: Jan 19, 2012

SUBJECT: County Highway Maintenance Funding.

FIRST AUTHOR: Sen. Kenley

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) The bill provides that a county may use property taxes and miscellaneous revenue deposited in the county general fund for the maintenance of county highways. (Current law permits property taxes to be used for highway maintenance only in an emergency and by unanimous vote of the county fiscal body, and the county general fund to be used only for county highway department employees' personal services.)

The bill allows a city department, officer, or employee to obligate the city beyond the amount of money appropriated for that department, officer, or employee if the obligation is made under an interlocal cooperation agreement entered into by the city and one or more political subdivisions or governmental entities.

Effective Date: July 1, 2012.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) The impact of this provision would depend on the number of cities currently or in the future that elect to establish an interlocal cooperation agreement (ICA). It is possible this provision could lead to additional ICAs becoming established. The impact on local expenditures is indeterminable and would depend on the action of the ICA member cities and political subdivisions.

Explanation of Local Revenues: The bill would allow greater flexibility in using property tax funds and

miscellaneous revenue deposited in county general revenue funds to help pay for the maintenance of county highways. To the extent that more money is spent for the maintenance of county highways from these sources of revenue than under current law, fewer funds from these sources would be available for other uses.

State Agencies Affected:

Local Agencies Affected: Cities, Counties.

Information Sources:

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